GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:5246
ANSWERED ON:29.04.2005
REPAYMENT OF OUTSTANDING DEBTS OF NTC
Khan Shri Sunil;Mohite Shri Subodh

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has formulated any plan to repay the outstanding debts of Rs. 1891 crore towards National Textile Corporation;

(b) if so, the details thereof;

(c) whether any progress has been achieved in selling surplus land of closed NTC mills in the country especially in Mumbai;

(d) if so, the details thereof;

(e) if not, the reasons therefore;

(f) the steps proposed to early sale of surplus land with NTC;

(g) whether proceeds from sale of land will be utilized for revival of sick NTC mills; and

(h) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a)&(b): The rehabilitation schemes for NTC approved by BIFR proposes conversion of loan advanced by Government of India to the corporation into equity as a part of capital restructuring. Accordingly, Government has approved conversion of an amount of Rs.2514.79 crores of outstanding loans provided to NTC into equity. The Government has also approved waiver of outstanding interest amounting to Rs.1454.01 cores on such loans.

(c)&(d): Yes, Sir. NTC has sold surplus land measuring 514.31 acres of closed and viable mills worth Rs.375.94 crores as on 31.3.2005.

In so far as the sale of land of NTC mills located at Mumbai is concerned, BMC has granted permission for sale of surplus land of 7 NTC mills located in the city under the Development Control Regulation Act, 58. The Government appointed reputed consultants for maximum value realization of the land proposed to be sold. However, further action on the proposed sale has been stalled following a public interest litigation (PIL) filed by Mumbai Environment Action Group before the High Court at Mumbai. The Hon'ble High Court has granted stay on further sale of land of NTC mills in Mumbai. The matter is sub-judice.

(e): Does not arise.

(f): The Government is vigorously pursuing the matter for grant of permission by the State Government for sale of surplus land of NTC mills in various States. The requisite permission is still awaited from State Governments of Madhya Pradesh, and partially from the State Government of Maharashtra.

(g)&(h): The Rehabilitation Schemes of NTC subsidiaries approved by BIFR envisages implementation of the proposals for revival of viable mills through resources generated from the sale of surplus assets. This mainly comprises the proceeds by the Government from the sale of surplus land, particularly in the States of Maharashtra, U.P. and M.P.